

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re: Mark Kesel

Case No.

10-41653

CHAPTER 11
MONTHLY OPERATING REPORT
(SMALL REAL ESTATE/INDIVIDUAL CASE)

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 04/30/10

PETITION DATE: 02/16/10

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

2. Asset and Liability Structure

- a. Current Assets
- b. Total Assets
- c. Current Liabilities
- d. Total Liabilities

	End of Current Month	End of Prior Month	As of Petition Filing
a. Current Assets	\$28,907	\$31,570	
b. Total Assets	\$2,721,830	\$2,695,755	
c. Current Liabilities	\$0	\$0	
d. Total Liabilities	\$4,078,920	\$4,078,920	\$2,645,342

3. Statement of Cash Receipts & Disbursements for Month

- a. Total Receipts
- b. Total Disbursements
- c. Excess (Deficiency) of Receipts Over Disbursements (a - b)
- d. Cash Balance Beginning of Month
- e. Cash Balance End of Month (c + d)

	Current Month	Prior Month	Cumulative (Case to Date)
a. Total Receipts	\$8,763	\$6,979	\$21,923
b. Total Disbursements	\$7,995	\$6,979	\$23,818
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$768	\$0	(\$1,895)
d. Cash Balance Beginning of Month	\$3,907		\$6,570
e. Cash Balance End of Month (c + d)	\$4,675		\$4,675

4. Profit/(Loss) from the Statement of Operations

5. Account Receivables (Pre and Post Petition)

6. Post-Petition Liabilities

7. Past Due Post-Petition Account Payables (over 30 days)

	Current Month	Prior Month	Cumulative (Case to Date)
5. Account Receivables (Pre and Post Petition)	N/A	N/A	N/A
6. Post-Petition Liabilities	\$0		
7. Past Due Post-Petition Account Payables (over 30 days)	\$0		

At the end of this reporting month:

- 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes No
- 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes No
- 10. If the answer is yes to 8 or 9, were all such payments approved by the court? Yes No
- 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) Yes No
- 12. Is the estate insured for replacement cost of assets and for general liability? Yes No
- 13. Are a plan and disclosure statement on file? Yes No
- 14. Was there any post-petition borrowing during this reporting period? Yes No
- 15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees ; Check if filing is current for: Post-petition tax reporting and tax returns: (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 5.13.10

Mark Kesel
Responsible Individual

Revised 1/1/98

Revised 1/1/98

SCHEDULES TO THE BALANCE SHEET

Schedule A Rental Income Information

List the Rental Information Requested Below By Properties (For Rental Properties Only)

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property	1306 MLK Jr Way		
2 Scheduled Gross Rents	\$16,768		
Less:			
3 Vacancy Factor			
4 Free Rent Incentives			
5 Other Adjustments			
6 Total Deductions	\$8,005	\$0	\$0
7 Scheduled Net Rents	\$8,763	\$0	\$0
8 Less: Rents Receivable (2)			
9 Scheduled Net Rents Collected (2)	\$8,763	\$0	\$0

(2) To be completed by cash basis reporters only.

Schedule B Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	Wells Fargo Bank		
11 Account No.	9526265245		
12 Account Purpose	Personal		
13 Balance, End of Month	\$4,675	\$0	\$0
14 Total Funds on Hand for all Accounts	<u><u>\$4,675</u></u>		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 05/31/10

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Net Rents Proceeds including laundry income	\$8,763	\$21,923
8			
9			
10			
11			
12	Total Cash Receipts	\$8,763	\$21,923
Cash Disbursements			
13	Selling		
14	Administrative		
15	Capital Expenditures		
16	Principal Payments on Debt		
17	Interest Paid		
18	Rent/Lease:		
19	Personal Property		
20	Real Property		
21	Amount Paid to Owner(s)/Officer(s)		
22	Salaries		
23	Draws		
24	Commissions/Royalties		
25	Expense Reimbursements		
26	Other		
27	Salaries/Commissions (less employee withholding)		
28	Management Fees		
29	Taxes:		
30	Employee Withholding		
31	Employer Payroll Taxes		
32	Real Property Taxes		
33	Other Taxes		
34	Other Cash Outflows:		
35	Living Expenses	\$5,220	\$15,493
36	Mortgage Payment	\$2,775	\$8,325
37	Total Cash Disbursements:	\$7,995	\$23,818
38	Net Increase (Decrease) in Cash	\$768	(\$1,895)
39	Cash Balance, Beginning of Period	\$3,907	\$6,570
40	Cash Balance, End of Period	\$4,675	\$4,675

BALANCE SHEET
 (Small Real Estate/Individual Case)
 For the Month Ended 05/31/10

		<u>Check if Exemption Claimed on Schedule C</u>	<u>Market Value</u>
Assets			
Current Assets			
1 Cash and cash equivalents (including bank accts., CDs, etc.)			\$3,907
2 Accounts receivable (net)			
3 Retainer(s) paid to professionals			
4 Other: <u>Retainer to Bankruptcy Attorney</u>			\$25,000
5			
6 Total Current Assets			<u>\$28,907</u>
Long Term Assets (Market Value)			
7 Real Property (residential)			\$859,000
8 Real property (rental or commercial)			\$1,500,000
9 Furniture, Fixtures, and Equipment	X		\$5,225
10 Vehicles	X		\$4,000
11 Partnership interests			
12 Interest in corporations			
13 Stocks and bonds			\$7,125
14 Interests in IRA, Keogh, other retirement plans	X		\$315,318
15 Other: <u>Small balances from mostly dormant bank ac</u>			\$855
16 Personal items	X		\$1,400
17 Total Long Term Assets			<u>\$2,692,923</u>
18 Total Assets			<u>\$2,721,830</u>
Liabilities			
Post-Petition Liabilities			
Current Liabilities			
19 Post-petition not delinquent (under 30 days)			
20 Post-petition delinquent other than taxes (over 30 days)			
21 Post-petition delinquent taxes			
22 Accrued professional fees			
23 Other:			
24			
25 Total Current Liabilities			<u>\$0</u>
26 Long-Term Post Petition Debt			
27 Total Post-Petition Liabilities			<u>\$0</u>
Pre-Petition Liabilities (allowed amount)			
28 Secured claims (residence)			\$889,373
29 Secured claims (other)			\$1,556,810
30 Priority unsecured claims			\$0
31 General unsecured claims			\$1,632,737
32 Total Pre-Petition Liabilities			<u>\$4,078,920</u>
33 Total Liabilities			<u>\$4,078,920</u>
Equity (Deficit)			
34 Total Equity (Deficit)			<u>(\$1,357,090)</u>
35 Total Liabilities and Equity (Deficit)			<u>\$2,721,830</u>

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.